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TO: USIA

NO: TOUSI 62, June 15, 4 p.m.

JOINT USIS-EMBASSY MESSAGE

Re USITO circular 369, June 9

OCB
CIA

Jose Gonzalz nationalist writer in article conservative newspaper EL UNIVERSAL warns United States "may slip on banana peel" if intervenes Guatemala at behest United Fruit. Article hints communism Guatemala probably result low wages paid by United Fruit. Declares sovereignty Guatemala cannot be interfered because of pretensions any private company and if United States takes economic sanctions against Arbenz then policy will backfire and other Latin American countries will take sides against United States. Government not disclosed attitude question and keeps telling press that matter still under study. LA ESFERA predicted official statement this week.

Heavy play given Washington speech Representative Fisher urging economic sanctions Guatemala. LA ESFERA also played France Presse report Washington hears military movement being prepared Guatemala.

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